

Message Text

UNCLASSIFIED

PAGE 01 MANAMA 01155 220934Z
ACTION ARA-14

INFO OCT-01 EUR-12 NEA-11 ISO-00 AID-05 CIAE-00
COME-00 EB-08 FRB-01 INR-10 NSAE-00 ICA-20
TRSE-00 XMB-04 OPIC-06 SP-02 LAB-04 SIL-01 OMB-01
NSC-05 SS-15 STR-07 CEA-01 /128 W
-----076292 221219Z /75

R 220815Z MAY 78

FM AMEMBASSY MANAMA
TO SECSTATE WASHDC 6184
INFO AMEMBASSY ABUD DHABI
AMEMBASSY AMMAN
AMEMBASSY ATHENS
CRUQMDH/AMCONGEN DHAHHRAN 907
AMEMBASSY DOHA
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY MUSCAT
AMEMBASSY MEXICO CITY

UNCLAS MANAMA 1155

E.O. 11652: N/A
TAGS/ EFIN BA
SUBJECT: BAHRAIN GOVT. BONDS: SECOND TRANCHE

REF: MANAMA 2356

1. BAHRAIN GOVERNMENT HAS INVITED SUBSCRIBERS FOR THE
SECOND BATCH
REDEVELOPMENT BONDS TOTALLING BD. 7 MILLION
(US \$18 MILLION). THE BONDS CARRY AN INTEREST OF 7 3/4
PER CENT ANNUALLY WITH MATURITY DATE MAY 15, 1983. INTEREST
IS PAID ON NOV. 15 AND MAY 15 EACH YEAR. THE PROCEEDS,
THE INVITATION SAYS, WILL BE USED FOR FINANCING DEVELOPMENT
PROJECT APPROVED IN THE STATE'S BUDGET.

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PAGE 02 MANAMA 01155 220934Z

2. EMBASSY COMMENT: THIS IS THE SECOND TRANCHE OF GOB
BONDS, REFLECTING THE CONFIDENCE GAINED BY THE GOB IN THIS
METHOD OF FINANCIAL MANAGEMENT WITH THE FIRST ISSUE IN
OCTOBER 1977. A FURTHER SIGN OF CONFIDENCE IS THE LOWER
INTEREST RATE OFFERED (7 3/4 PER CENT VS. 8 PER CENT IN
1977). IN 1977 THE GOB CONSERVATIVELY LIMITED PURCHASES TO
DOMESTIC FINANCIAL AND COMMERCIAL INSTITUTIONS IN BD.

5,000 MINIMUM LOTS. A SECONDARY MARKET WAS ESTABLISHED AND
DEMAND EXPRESSED FROM SMALLER BUYERS. EMBASSY UNDERSTANDS
THAT THE PRESENT ISSUE WILL BE AVAILABLE IN BD. 1,000
LOTS TO ANY BUYERS. A THIRD TRANCHE OF DEVELOPMENT BONDS
IS PLANNED FOR EARLY 1979 TO BRING THE TOTAL OF ALL THREE
TRANCHES TO APPROXIMATELY \$70 MILLION.

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NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 jan 1994
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Current Classification: UNCLASSIFIED
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Draft Date: 22 may 1978
Decapton Date: 01 jan 1960
Decapton Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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Format: TEL
From: MANAMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780534/aaaabca1.tel
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Litigation Codes:
Litigation History:
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Secure: OPEN
Status: NATIVE
Subject: BAHRAIN GOVT. BONDS: SECOND TRANCHE
TAGS: EFIN, BA
To: STATE
Type: TE
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Review Markings:
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